

Subject
(Insurance)
640

2 January 1953

OGC Has Reviewed

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Reimbursement of Insurance Premium of [REDACTED]

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1. Memorandum of 23 December 1952, from Chief, I&R, to the DD/A, raises a matter which has concerned CIA at various times and has been considered generally in connection with career service problems.

2. Under normal circumstances, the liability of the Government or any of its instrumentalities with respect to injury or death of an employee sustained while in the performance of his duty is governed by the provisions of the Federal Employees Compensation Act (5 USCA Sections 751, etc.) to the exclusion of any other claims against the Government. Normally, any further protection through insurance, or otherwise, is the employee's own responsibility. The case of [REDACTED] raises the problem of an employee, by reason of his assignment, being exposed to a risk situation which is not covered by his existing private or commercial life insurance program. The specific request is whether Agency funds may be expended to reimburse [REDACTED] for the additional expense of an aviation clause to cover the now uninsured area of risk. Inasmuch as the area of risk is generated by the requirement of the Government, the relation of the need for additional insurance coverage to the assignment is apparent. Stated somewhat differently, [REDACTED] proposed assignment creates a situation which may be said to be peculiar to the functions of CIA and, therefore, deserving of official consideration, if otherwise deemed appropriate.

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3. This office has previously commented that the War Agency Employees Protective Association is fulfilling part of the need of CIA in the insurance field. Security considerations, however, prevent its application to certain cases including the present one. For this reason, this office has suggested at various times that consideration be given to the organization of a program which would be sponsored by CIA with its own standards of enrollment. At the present time, in cases such as [REDACTED] the practical solution appears to be the obtaining of a rider to existing policies or to seek a term life insurance policy through the Armed Forces Mutual Benefit Association or other similar organizations which underwrite the specific risk involved. We are informed that the Air Force in similar situations considers the additional premiums to be a personal expense which cannot be paid by the Government.

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4. There is a difference between the armed forces and CIA in that they have authority to order personnel to undertake hazardous work, whereas CIA depends on voluntary acceptance. If this difference creates a unique situation peculiar to CIA and payment of the additional premiums is deemed necessary to the proper conduct of the Agency's functions, there is no legal objection to payment out of Government funds.

LAWRENCE R. HOUSTON
General Counsel

OGC/LRH/JBK:mb

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